GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2632
ANSWERED ON:18.03.2008
FDI IN INDIA .
Lagadapati Shri Rajagopal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether as per the World Investment Report, 2007, India has emerged as the world's second hottest destination for FDI after China and beating the US;

(b) if so, the details of flow of FDI in terms of percentage during each of the last three years; and

(c) the further steps taken by the Government to attract more FDI into the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a): Yes, Sir. The UNCTAD World Investment Report (WIR) 2007, in its analysis of the global trends and sustained growth of Foreign Direct Investment (FDI) inflows, has reported India as the second most attractive location for FDI for 2007-2009. India has also retained the second place in A.T.Kearney's 2007 Foreign Direct Investment Index, a position it has held since 2005.

(b): As per the WIR, percentage of growth in FDI inflows during the last three-years is as under:

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Year Amount (US $ billion) Percentage growth
2004 5.7   32%


2005 6.7   17%


2006 16.8   150%
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(c): The Government has a liberal FDI policy with FDI up to 100% permitted on the automatic route in most sectors. The FDI policy has been progressively liberalised since 1991 through a periodic review process. Focussed investment promotion activities are also being undertaken with a view to attract higher FDI inflows.